



**United
Nations**

Department of
Economic and
Social Affairs

World Youth Report Youth Social Entrepreneurship and the 2030 Agenda

Executive Summary

Introduction

The World Youth Report: Youth Social Entrepreneurship and the 2030 Agenda seeks to contribute to the understanding of how youth social entrepreneurship can both support youth development and help accelerate the implementation of the SDGs. To do so, the Report first synthesizes the current discussion on social entrepreneurship and anchors it in the context of the 2030 Agenda. Chapter 2 of the Report then turns toward the situation of youth and examines whether youth social entrepreneurship can offer not only employment opportunities, but also support other elements of youth development such as youth participation. In the third chapter, the Report assesses the potential and the challenges of youth social entrepreneurship as a tool supporting the 2030 Agenda and youth development in its broadest sense. Finally, chapter 4 first examines how new technologies can be leveraged to address some challenges faced by young social entrepreneurs as well as further support youth social entrepreneurship in its efforts to advance sustainable development. This last chapter finally offers policy guidance to build enabling, responsive and sustainable national ecosystems for young social entrepreneurs.

Throughout the report, info boxes and case studies illustrate the impact youth social entrepreneurship can have when entrepreneurial ecosystems are aligned with the needs, characteristics, constraints and ambitions of young people.

Social entrepreneurship

While social entrepreneurship was born out of the cooperative movement which is over 100 years old, it started gaining some traction in the 1980s and 1990s, thanks in part to the emergence of two schools of practice: 1) the Social Innovation School and 2) the Social Enterprise School. This paper understands social entrepreneurship as “entrepreneurial activity with the explicit objective of addressing societal problems”, which focuses on the unique hybrid nature of social enterprises.

Several factors can be called upon to explain the rise in social entrepreneurship’s incidence and visibility over the last few decades. Among these are the growing importance of social capital in the business sector as well as increasing gaps left vacant by a receding presence of public institutions, NGOs and charities. Although social entrepreneurship is a growing phenomenon, it exhibits considerable inter- and intra-regional variance in prevalence rates. Measuring global and regional trends related to social entrepreneurship remains a challenge. In addition, the concept

does not yet benefit from a widely accepted framing definition, which is partly due to an underdeveloped theoretical base as well as a strong influence of the surrounding context on the nature of social entrepreneurship activities.

Considering recent estimates indicating the implementation of the 2030 Agenda requires significantly more funding than earlier projected, financially-efficient models helping address key sustainable development challenges – such as social entrepreneurship - merits increased evaluation. As social entrepreneurship seeks to generate *profit for a purpose*, i.e. put forth a sustainable economic logic to benefit social imperatives, it can complement other public and private efforts, responding to the needs of marginalized segments of society. Moreover, social enterprises engage marginalized groups and create opportunities for multiple types of economic players.

As social enterprises regularly serve vulnerable communities – including those at the last mile -- affected by complex issues that need to be addressed by multiple partners, accurately measuring their social impact remains a complex endeavor.

Youth Development and Participation

Evidence shows that social entrepreneurship can contribute to sustainable and inclusive job creation. Unemployment among youth represents one of the greatest global challenges. Recent estimates suggest that 600 million jobs would have to be created in next 15 years to address this challenge. In addition, it is estimated that 96.8 per cent of all young workers in developing countries are in the informal economy. Also, low youth unemployment rates may mask poor job quality, especially in developing countries. Lastly, the global NEET rate (the proportion of youth neither in employment, education or training) has remained stubbornly high in the last 15 years and now stands at 30 percent of young women and 13 percent of young men worldwide. Until structural barriers are removed, implementing employment-based interventions targeting young people may just fuel greater frustration. Hence, under the proper conditions, social entrepreneurship can offer youth an avenue to explore in the quest for sustainable employment.

In addition, as social entrepreneurship leverages young people's talents and capacities, it can support their own individual development and efforts to be effective agents of change. Given that young people are still regularly excluded from policy and political decisions affecting their lives, social entrepreneurship can become an alternative avenue to express their views and affect change in society. Youth are not only demanding greater inclusion and meaningful engagement, they are taking actions to address development challenges themselves, including through social entrepreneurship.

Despite clear challenges on the road to a successful and impactful social enterprise, social entrepreneurship remains appealing to youth, in part because it is located at the intersection between income generation and social impact. While entrepreneurs “by choice” and entrepreneurs “by necessity” both face numerous challenges, there are significant differences in terms of contexts and needs. The successful pursuit of youth social entrepreneurship is highly

dependent on a confluence of several enabling settings and conditions, described as an entrepreneurial ecosystem. The realization of the youth social entrepreneurship's potential depends in large parts on this ecosystem.

Youth Social Entrepreneurship: Potential and Challenges

What are the strengths, weaknesses, opportunities and threats that youth face when they engage in social entrepreneurship? This chapter offers a "SWOT analysis" which investigates both internal and external variables influencing the realization of youth social entrepreneurship as a mean to advance the 2030 Agenda.

Characteristics of individuals who successfully engage in entrepreneurship include: creativity; resilience; inspiration; tolerance to risk; and action orientation. This represents a strength as such attitudinal and behavioral qualities are often readily present in young people. However, social entrepreneurship is most effective when the intervention is informed by local experience. This means that social entrepreneurs are most poised for success when they have firsthand knowledge and experience with the social issues they aim to solve. Young people are therefore well poised to help address development challenges affecting their fellow youth, as well as other members of the community who have reduced access to opportunities. However, young peoples' shorter life and professional experience can represent a weakness. Young social entrepreneurs who start ventures without prior training and practice are at a disadvantage in the marketplace. Young people's dependency on others or their limited financial capital weakens the potential of the social entrepreneurship model.

The 2030 Agenda 2030 offers an unprecedented opportunity to strengthen the linkages between development agents (including young people, the private sector, policymakers, etc.) in a way that generates effective and innovative solutions. In parallel to this, there is increased appetite among multiple partners, including global corporations, to engage young people or go meet them at the community level to support their endeavors. Youth social entrepreneurship supporting the 2030 Agenda represents a nimble and flexible vector to allow a multitude of partners from all sectors to come together with youth and serve a community while generating employment. However, in many instances, countries may have in place legal frameworks that may limit the active engagement of youth in the economic, financial, social and political spheres. Among others, limited access to start-up funds is still commonly named as the most pressing challenge for young social entrepreneurs. Other – often arbitrary - legal and regulatory restrictions can limit the uptake of youth social entrepreneurship in several countries. In addition, lack of equal access to technology can give rise to a digital divide that further exacerbates inequalities within and across countries.

In efforts to leverage these key strengths and opportunities while mitigating several weaknesses and threats, an enabling environment for social entrepreneurs entails institutions that foster sustainable inclusive growth. Studies clearly demonstrate that support from established institutions is correlated to the effectiveness of social entrepreneurship. To succeed, young social entrepreneurs require supports tailored to their needs and situations.

Leveraging Technology and Talent for sustainable development

There is a huge potential for young social entrepreneurs to utilize frontier technologies to tackle systemic social challenges in an innovative manner. Indeed, key new technologies can make a significant contribution to societal needs and challenges in all countries, irrespective of development level. As young people form the bulk of early adopters of many technological trends, they are poised to take advantage of these technologies to drive social entrepreneurship's impact. However, the rapid development and diffusion of frontier technologies creates the potential for exacerbating the digital divide and other inequalities. If not correctly harnessed, new technologies can also pose threats to sustainable and inclusive development. Policy makers developing social entrepreneurship ecosystems should not discount frontier technologies' strong links with social impact. In fact, policy-makers need to closely examine how frontier technologies may form the basis of innovations that helps to accelerate the implementation of the social aspects of the 2030 Agenda. Indeed, frontier technologies are not only driving profound transformations in economic efforts, but also in efforts focused on social development and inclusion. Linking youth social entrepreneurship with new emerging technologies is an opportunity to disseminate and scale up technological solutions that will contribute to global welfare – and moreover deal with the challenge of fully utilizing the still large untapped potential of the youth.

Entrepreneurship ecosystems vary greatly, but generally include key building blocks such as financing products and services, school-level entrepreneurship education and training, post-school entrepreneurship education and training, R&D transfer, access to commercial and professional infrastructure, internal market dynamics, access to physical and services infrastructure, and social and cultural norms. Ecosystems that are the most conducive to youth social entrepreneurship are those that tailor support in terms of education, finance, technical support and networking and market building. The Report offers a series of recommendations to policy-makers to leverage the full potential of youth social entrepreneurship, both in terms of youth employment and youth development. While not a panacea for youth development efforts, youth social entrepreneurship may represent one complementary pathway. Indeed, recognizing the potential of youth social entrepreneurship is not synonymous with releasing policy-makers from their obligations regarding youth development.

Conclusion

This Report has emphasized that the successful pursuit of youth social entrepreneurship rests on an accurate assessment of its merits, opportunities and challenges, and the implementation of recommended mutually-reinforcing policy measures. Overcoming challenges and facilitating impactful youth social entrepreneurship is contingent upon the establishment of an entrepreneurial ecosystem.